

~~CONFIDENTIAL~~

Approved For Release 2000/06/01 : CIA-RDP79T01018A000200080001-4

~~SECRET~~

Nº 167

GEOGRAPHIC INTELLIGENCE REPORT

POSTWAR DEVELOPMENT IN THE "WESTERN TERRITORIES" OF POLAND



CIA/RR-G-19

January 1958

DOCUMENT NO. 1
NO CHANGE IN CLASS. ☐
☐ DECLASSIFIED
CLASS. CHANGED TO: TS, S, C
NEXT REVIEW DATE: 1989
AUTH: HR 70-2
DATE: 29 Nov 79 REVIEWER: 006514

CENTRAL INTELLIGENCE AGENCY

OFFICE OF RESEARCH AND REPORTS

~~SECRET~~

Approved For Release 2000/06/01 : CIA-RDP79T01018A000200080001-4

~~CONFIDENTIAL~~

WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

~~SECRET~~

CONFIDENTIAL

GEOGRAPHIC INTELLIGENCE REPORT

POSTWAR DEVELOPMENT IN THE
"WESTERN TERRITORIES" OF POLAND

CIA/RR-G-19

January 1958

CENTRAL INTELLIGENCE AGENCY
Office of Research and Reports

CONFIDENTIAL

~~SECRET~~

~~SECRET~~

CONTENTS

	<u>Page</u>
Summary	v
I. Introduction	1
II. Population	2
III. Agriculture	3
A. Geographic Factors	3
B. Land Use	4
IV. Industry	8
A. Prewar Status	8
B. Coal Production	9
C. Coke Production	11
D. Power Production	11
E. Iron and Steel	13
F. Non-Ferrous Metals	13
G. Chemical	15
H. Industrial Machinery	15
I. Light Industry	18
J. Construction-Materials Industry	19
V. Postwar Urban Reconstruction	20
Conclusion	23

Appendixes

Gaps in Intelligence	25
References for Statistical Information	27

~~SECRET~~

~~SECRET~~

CONFIDENTIAL

Page

Photographs

Figure 1.	Plowing on a former German estate near Dzierżoniów	5
Figure 2.	Rye field near Opole	7
Figure 3.	Screening plant of a coal mine in Zabrze	12
Figure 4.	Mieszko coke plant in Wałbrzych	12
Figure 5.	Czechnica powerplant southeast of Wrocław	14
Figure 6.	Bobrek metallurgical plant	14
Figure 7.	Nitrogen-compound plant in Kędzierzyn	16
Figure 8.	Rotary kilns	16
Figure 9.	"Pafawag" state wagon factory	17
Figure 10.	View along a main street of Stargard	19
Figure 11.	View of Jelenia Góra	21
Figure 12.	Reconstruction in a residential district of Wrocław	21

Tables

Table 1.	Agriculture Land Use in the Western Territories 1938 and 1955	5
Table 2.	Crop Areas in the Western Territories 1938 and 1955	6
Table 3.	Crop Yields in the Western Territories 1935-39 and 1951-55	6
Table 4.	Livestock in the Western Territories 1938 and 1955	8
Table 5.	Share of the Western Territories in the Crop Production of Poland 1955	8

CONFIDENTIAL

- ii -

~~SECRET~~

~~CONFIDENTIAL~~
~~SECRET~~

	<u>Page</u>
Table 6. Share of the Western Territories in Prewar German Industry 1938	9
Table 7. Production of Bituminous Coal in Poland 1945-1955	10
Table 8. Production of Coke in Poland 1946-1955	11
Table 9. Production of Construction Materials in Poland 1937-38 and 1955	20

Maps

	<u>Following page</u>
Poland: Western Territories (26295)	iii
Poland: Soils (26296).	29

~~CONFIDENTIAL~~

- iii -

~~SECRET~~



~~CONFIDENTIAL~~

~~SECRET~~

POSTWAR DEVELOPMENT IN THE
"WESTERN TERRITORIES" OF POLAND

Summary

The unsettled legal status of the Western Territories, which had been German territory before World War II, is a potential political problem that may flare up in any official negotiations between Poland and West Germany or in any discussions between East and West Germany in which the Soviet sphere of influence is involved. Postwar development of the territories by the Poles has been aimed at transforming the region into a vital part of Poland, thereby precluding any revision of the present boundary. The expulsion of more than two-thirds of the German nationals after the war and the resettling of the region with Poles has made the territories ethnically Polish. The present population of 5-1/2 million, which is 1-1/2 million less than the prewar population, has not had the training or experience in modern agricultural and industrial methods and techniques needed to utilize efficiently the resources of the region. Present agricultural production is lower than the prewar level; the amount of land in cultivation is less and the crop yields have been markedly reduced. The region, nevertheless, supplies a significant proportion of agricultural products of Poland. Postwar industrial development has been characterized by uneven growth. Impressive gains have been made in most sectors of heavy industry, the products of which are essential to the rapid industrialization program of the country. Light industry has not, in general, recovered its prewar position, and many small enterprises in the agricultural areas have been abandoned. This uneven industrial growth has been reflected in the types and rate of urban reconstruction. Important industrial towns have been rapidly reconstructed, whereas rebuilding of smaller towns has been neglected. The present economic program adopted by the Gomulka regime, however, provides for greater emphasis on consumer-orientated industries, and the Western Territories should benefit from this program. An increase in the number of settlers as well as increased investments in housing construction, agriculture, and light industry should gradually improve the economic situation of many neglected areas and help develop a well balanced economy within the Western Territories.

- v -

~~SECRET~~

~~CONFIDENTIAL~~

S-E-C-R-E-T

I. Introduction

The so-called Western Territories* of Poland today play a major role in the continued viability of the Polish state even though they are not yet fully Polish in a legal sense and their future is still subject to diplomatic negotiations. By the Potsdam Agreement of 1945 the German territories east of the Oder-Neisse rivers were placed under Polish administration, but the final determination of sovereignty and settlement of the boundary were postponed until a peace treaty for Germany should be negotiated. Continued failure to settle the sovereignty question has led to conflicting claims by the governments of Poland and West Germany (the German Federal Republic, GFR). East Germany (the so-called German Democratic Republic, GDR), on the other hand, disregarded the Potsdam Agreement and concluded a bilateral agreement with Poland whereby the Oder-Neisse boundary was officially recognized. This boundary appears to be accepted by the Soviet Bloc generally. Numerous reports, articles, and books on this problem by both Poles and West Germans indicate that the de facto situation might continue to be a major source of friction in any negotiations between Poland and the GFR regarding the establishment of diplomatic relations, trade agreements, or other matters. In any negotiations between the Soviet Bloc and the West concerning German reunification, the question of the Western Territories could probably arise in some form, and the Soviet Union might use the territories as a pawn in such negotiations.

The repopulation of the Western Territories by Poles and the considerable reconstruction and economic development that has taken place since the war would doubtless have some influence on the course of negotiations. It is therefore desirable to analyse postwar developments both in the Western Territories as a whole and, insofar as possible, in different areas within the Western Territories. Such an analysis is now possible for the first time because of the increasing flow of official information on the Western Territories. Most of the early postwar official publications were limited to discussion of the extent of the sociological and economic upheaval undergone in the Western Territories and to plans for development

*This study encompasses only the "Western Territories" of Poland, which include the Województwa of Koszalin, Szczecin, Zielona Góra, Wrocław, Opole and part of Katowice. The term Western Territories as used throughout the paper refers to this region, regardless of its administrative status. Since the problems related to boundary changes in the southern part of former East Prussia and Gdańsk Województwa are of a different nature from those associated with the Oder-Neisse frontier, the area is not considered in this analysis.

S-E-C-R-E-T

S-E-C-R-E-T

of a socialized economy for the country as a whole. Detailed information available on sociological conditions, agriculture, and industries was based on individual observations but did not represent an adequate sample of the region as a whole. The publication of the 1955 and 1956 yearbooks and subsequent studies, however, provide information by first-order administrative divisions that permits a refined analysis and synthesis of the data on a regional basis.

The transfer of German territories to Polish administration enlarged Poland's physical basis for development into an economically stable and prosperous nation. By shifting the boundary 120 miles to the west, Poland acquired a long seacoast with two important ports -- Szczecin and Gdańsk -- and the potential for developing an important maritime economy. Equally significant to Poland was the acquisition of the highly industrialized German part of Upper Silesia with its rich mineral resources and the large areas of improved agricultural land, which partially compensated for the loss of the important agricultural land in the Eastern Provinces that were ceded to the USSR after the war.

The Polish Government, determined to retain the Western Territories permanently, immediately inaugurated an ambitious program aimed at transforming the region into an integral part of Poland. The program included radical changes in the ethnographic composition of the region, reorganization of its agricultural structure along Soviet lines, and a reorientation of its industrial development.

II. Population

In 1939, the population of what is now the Western Territories of Poland was 7 million. 1/* Although the majority were German, an important Polish minority was concentrated in Upper Silesia. When the Poles occupied the Western Territories, they adopted the policy of transferring all German nationals from the region and resettling it with the Polish nationals who were forced to leave the former Polish Eastern Provinces or the overpopulated agricultural areas of central Poland. In order to maintain the social and economic standards of the Western Territories, the population transfer program had to be completed within a reasonable length of time. It is estimated that, by 1950, more than two-thirds of the German population had either fled from the Western Territories or been deported 2/ and that the remainder, primarily miners and industrial workers, were subjected to intensive Polonization. Recent self-

*For serially numbered source references see Appendix B.

S-E-C-R-E-T

criticism by Communist party officials and evaluation of their accomplishments suggest that the Polonization program has not been successful, and many of the Germans who were permitted to remain in the Western Territories are eager to migrate to Germany.

The plans for resettling the Western Territories have fallen short of original expectations. The number of Poles available for repatriation or resettling has not been large enough to complete the occupation of the region. By 1955, the total population of the Western Territories had reached 5-1/2 million, which is 1-1/2 million lower than the prewar population. 3/ Furthermore, the present population figure includes natural growth, which has averaged approximately 50 percent higher in the Western Territories than in Poland as a whole. 2,3/ Since the end of World War II the distribution of the population in the region has also been modified. The former very densely populated industrial section of Upper Silesia has gained in population, as have scattered industrial centers in Lower Silesia. Other urban areas throughout the region are rapidly regaining their prewar size. The sparsely populated agricultural areas, however, have gained little in total population since the war, and in some rural areas the population decreased during the period between 1949 and 1955.

A more serious aspect of the resettlement program has been the disruption of the occupation structure of the area. The deportation of the Germans from the region drained it of a large percentage of trained agricultural workers and significant numbers of skilled industrial workers. The resettlers, on the other hand, were largely agricultural workers with little experience in the use of the scientific agricultural techniques previously employed by the German farmers in the Western Territories and none of the training or skill needed in the industrial enterprises of Silesia.

III. Agriculture

A. Geographic Factors

Agriculture was highly developed in the Western Territories prior to World War II even though the natural environmental conditions are only moderately favorable for crop production. This high standard of farming was achieved through careful management of the land.

Except for the Sudeten Mountains in the south, the terrain of the Western Territories is fairly level. Almost everywhere the surface consists of glacial deposits laid down by ice sheets and of sands and gravels deposited by rivers that drained the glaciers. Soils that developed on these glacial deposits differ in fertility

S-E-C-R-E-T

and constitute the most important physical factor effecting variations in the type of land use within the region (see Map 26296). In the north, in Pomerania, soils of moderate fertility formed from the clay of the ground moraine alternate with sandy, infertile soils. The heavy clay soils are suitable for the production of potatoes and grain, whereas the sandy soils are generally pine covered, agriculture being possible to only a limited extent.

South of the ground moraine, in the former German area of East Brandenburg, sandy soils predominate. Much of this area has remained in pine forests. Some of the wide east-west river valleys, however, were converted into important farming and cattle-breeding areas through extensive drainage and soil improvement. Farther south, in Silesia, fertile loess as well as loams alternate with poorer soils. Under German administration, large-scale prosperous agricultural enterprises with intensive cultivation characterized the areas of loess soils; and small, marginal farms predominated in areas with poor soils.

Climatic conditions of the Western Territories, though not ideally suited to agriculture, do not approach the danger point for crop production. Total precipitation averages between 20 and 25 inches per year, with the maximum occurring during the growing season. Nevertheless, a significant reduction in crop yields is likely if the summer precipitation falls slightly below normal. Average summer temperatures range between 50° and 65°F, and at no time do they fall to a level where agricultural activity is seriously endangered. Prolonged spells of extremely cold weather, however, may occur in winter, and cause damage to orchards and winter-grain crops. Late spring frosts may also occur, with a resulting reduction of crop yields.

B. Land Use

When the Western Territories were placed under Polish administration, the Communist government in Warsaw focused its efforts on transforming the agricultural structure of the region. At the same time, however, the government intended to retain the existing land-use pattern and hoped it could maintain the prewar level of production. The drive to collectivize the farms in the Western Territories met with considerable superficial success (Figure 1). By 1955, approximately 50 percent of the agricultural area was collectivized as compared to 20 percent for all of Poland. 3/ The presence of a large number of expropriated estates and the influx of an agricultural refugee population were particularly conducive to the creation of collective and state farms. Many of the large estates were easily converted into state farms by merely assigning their management to some deserving party members and by

S-E-C-R-E-T

S-E-C-R-E-T



Figure 1. Plowing on a former German estate near Dzierżoniów that has been converted into a state farm. (April 1953)

settling Polish refugees from the former Eastern Lands on the premises. Because the new Polish landholders in the region lacked capital in the form of the buildings, equipment, and draft power, they were easily pressured into joining collectives. The recent dissolution of the majority of the collectives in the Western Territories, however, is proof of the failure of the government policy for socializing agriculture.

In 1955, about 57 percent of the total area in the Western Territories was utilized for agriculture. ^{3/} The following table gives a comparison of the agricultural land use of the region for the years 1938 and 1955.

Table 1

Agriculture Land Use in the Western Territories a/
1938 and 1955

<u>Land Use</u>	<u>1938</u> <u>(Thousand hectares)</u>	<u>1955</u> <u>(Thousand hectares)</u>	<u>Change</u> <u>(Percent)</u>
Arable land	3,718	3,412	-8
Pasture	170	180	+6
Meadow	650	613	-6
Remaining area	86	69	--

a. Sources: 3, 4, 5.

- 5 -

S-E-C-R-E-T

S-E-C-R-E-T

Bread grains (rye and wheat), fodder grains (barley and oats), potatoes, and sugar beets are the most important crops grown in the Western Territories. The total amount of land planted in these crops has decreased since 1938, but the relative importance of the crops has changed little during the postwar period (see Table 2). Furthermore, the most important prewar crop-growing areas have retained their relative positions. Thus, the northeast section of Pomerania (Koszalin Województwo), former East Brandenburg (Zielona Góra Województwo), and Lower Silesia are still the most important rye-growing regions. Silesia is the largest producer of wheat and fodder grains, with Pomerania ranking second. These two sections are also the leading producers of potatoes, and Silesia is the dominant sugar beet area.

Table 2
Crop Areas in the Western Territories a/
1938 and 1955

<u>Crop</u>	<u>1938</u> <u>(Thousand hectares)</u>	<u>1955</u>	<u>Change</u> <u>(Percent)</u>
Bread grains	1,359	1,196	-12
Fodder grains	869	730	-16
Potatoes	705	493	-30
Sugar beets	117	119	+1

a. Sources: 3, 4, 5.

The most serious failure in postwar agricultural development in the Western Territories has been the inability of the present inhabitants to maintain the prewar level of crop yields (see Table 3).

Table 3
Crop Yields in the Western Territories a/
1935-39 and 1951-55

<u>Crop</u>	<u>1935-39</u> <u>(Quintals per hectare)</u>	<u>1951-55 <u>b/</u></u>
Wheat	22	14
Rye	16	12
Barley	22	13
Oats	19	13
Potatoes	171	106
Sugar beets	300	163

a. Sources: 3, 4, 5, 6, 7.

b. Average crop yields for the period 1951-55 are based on 1955 data for the Western Territories adjusted to the average for the country for 1951-55.

S-E-C-R-E-T

S-E-C-R-E-T

The reasons for this failure are not only economic in nature but also political, sociological, and psychological. In the first place, the Poles who were resettled in these areas were pressured into joining collectives or state farms. As a group, these settlers felt insecure in their new habitats and were not convinced that their status would be permanent. The methods of cultivation adopted reflected this attitude of temporary occupance, and little effort was made to improve the land farmed. Secondly, many of the resettlers came from former eastern Poland, where agricultural methods were simple and rather primitive (Figure 2), and they did not have the



Figure 2. Rye field near Opole, showing the crude method used in shocking grain. (July 1955)

knowledge or skill to apply the methods of cultivation prescribed by planning authorities. Thirdly, in order to maintain a high level of productivity in the area, large quantities of artificial fertilizer are needed and extensive use of modern machinery is required, but Poland's industry is not in a position to deliver either.

Livestock raising, which had played an important role in the prewar economy of the Western Territories, was drastically curtailed during World War II. The livestock industry has increased at a steady rate since the war, but the number of animals is still much below the prewar level, as is indicated by the following table.

S-E-C-R-E-T

S-E-C-R-E-T

Table 4
Livestock in the Western Territories a/
1938 and 1955

<u>Type</u>	<u>1938</u> <u>(Thousand heads)</u>	<u>1955</u> <u>(Thousand heads)</u>	<u>Change</u> <u>(Percent)</u>
Cattle	2,736	1,431	-47
Hogs	3,816	2,083	-45

a. Sources: 3, 4.

In spite of the numerous serious shortcomings in postwar development of agriculture in the Western Territories, this area still plays a significant role in the agricultural economy of the country as a whole. The following table gives the 1955 production for each of the major crops in the Western Territories and indicates its percentage of the total output of Poland.

Table 5
Share of the Western Territories in the Crop Production of Poland a/
1955

<u>Crop</u>	<u>Production</u> <u>(Thousand metric tons)</u>	<u>Percent of Polish Total</u>
Wheat	624	28
Rye	1,037	14
Barley	310	25
Oats	498	21
Potatoes	3,478	11
Sugar beets	2,019	27

a. Source: 3.

IV. Industry

A. Prewar Status

Prewar industrial development in the Western Territories was based on deposits of coal, iron, copper, nickel, lead, and zinc. These deposits, which are concentrated in Upper and Lower Silesia, favored the establishment of heavy industries dependent on local raw materials. The high level of technological development of the people, the government's goal of attaining economic self sufficiency,

S-E-C-R-E-T

and the intensive armament program of the 1930's, however, stimulated the development of new synthetic raw materials and provided an impetus for the development of diversified industries throughout the Western Territories. Thus, at the outset of World War II, industrial activity was widespread, with a concentration of heavy industry in Silesia and a wide range of miscellaneous manufactures in the more agricultural northern areas. The following table indicates the region's share in prewar German industry, with the commodities listed in order of their present importance to Poland.

Table 6

Share of the Western Territories in Prewar German Industry a/
1938

<u>Commodity</u>	<u>Percent of German Total</u>
Coal	14
Zinc Ore	47
Lead Ore	22
Iron and Steel	4
Textiles	13
Glass	6-7
Alcohol	25
Paper and Wood Pulp	20

a. Information in this table refers to the entire German area that is under Polish Administration, including East Prussia. The prewar industrial output of the southern part of East Prussia, however, was too small to have any effect on the percentages as given.

Source: 6.

When the Poles assumed the administration of the Western Territories, they assigned top priority to the reconstruction and rehabilitation of heavy industry; and a considerable portion of the postwar investment has been directed toward the reconstruction of mining and the industries dependent upon it, notably the chemical industry.

B. Coal Production

Coal is Poland's most important mineral resource. It is the main source of industrial energy and the principal raw material for the expanding chemical industry. Furthermore, coal is Poland's chief export and source of foreign exchange. The coal deposits of the Western Territories are located in the western part of Upper Silesia (Figure 3) and in Lower Silesia. The western part of Upper Silesia comprises about one-sixth of the entire coal basin that

S-E-C-R-E-T

extends from the Western Territories eastward into prewar Poland and southward into Czechoslovakia. This basin, estimated to have the largest reserves in Europe, is noted for its thick coal seams. A high-grade bituminous coal is mined, some of which is suitable for coking. The Lower Silesian coalfield is located near Wałbrzych (Waldenburg) at the foot of the Sudeten Mountains. Here the seams are thinner; and the coal, though poorer quality, is the best coking coal in Poland.

The acquisition of these two coalfields after World War II has substantially increased the coal-producing capacity of Poland. In 1938 the mines in the Western Territories produced 31.3 million metric tons* of coal or 45 percent of the total coal produced that year within the boundaries of present-day Poland. 8/ During the early years of World War II, coal production increased markedly; and in 1943, the peak year, the production from the area now comprising Poland amounted to 91.6 million tons. Of this total, 33.9 million tons or 37.1 percent was produced in the Western Territories. 8/ After the war the output declined as a result of labor shortage and the departure of skilled German personnel, combined with the damage to machinery and installations. Great efforts were expended to remedy the situation, and the output increased rapidly until 1949, after which the rate of increase slowed down, primarily as a result of the inefficiency of the Polish coal industry (see Table 7).

Table 7

Production of Bituminous Coal in Poland a/
1945-1956

Million metric tons			
1945	27.4	1951	82
1946	47.3	1952	84.4
1947	59.1	1953	88.7
1948	70	1954	91.6
1949	74.1	1955	94.5
1950	78	1956	95.1

a. Sources: 3, 8, 9, 10.

In 1955, the coal output from the Western Territories amounted to 30.3 million tons or 32.1 percent of the total Polish coal production. 11/

*Throughout this paper the term tons refers to metric tons.

S-E-C-R-E-T

S-E-C-R-E-T

C. Coke Production

Poland has the second largest coking-coal reserves in Europe. The present coking capacity, which was greatly increased by the acquisition of several major plants within the Western Territories, is sufficient to meet domestic needs and provide a surplus for export. Not all of the coal, however, is ideally suited for coking, and Poland has to import coke from Czechoslovakia to meet special requirements. A total of 22 major coke ovens are currently in operation, 12 of which are located in the Western Territories. 12,13/ Of the 12 plants, 6 are situated at coal mines -- 4 in Wałbrzych (Figure 4), 1 in Gliwice (Gleiwitz) and 1 in Makoszowy. Two plants -- at Bytom (Beuthen) and at Szczecin (Stettin) -- are associated with metallurgical works. The remaining 4 plants -- 1 at Blachownia (Blechhammer), 1 at Zdzeszowice (Odertal), and 2 at Zabrze (Hindenburg) -- are believed to be connected with chemical works.

In 1937, under German administration, coke production in the Western Territories exceeded 3 million tons, whereas the production from all plants located in prewar Poland was only slightly more than 2 million tons. 14,15,16/ By 1943 the combined production of these two areas had increased to 6.9 million tons as a result of the intensive exploitation of the mines during the early years of World War II. The postwar output, as shown in the following table, reflects the rate of reconstruction and expansion of existing coking plants and the construction of new plants. By 1955 the total Polish coke production was 10.04 million tons, of which 54.4 percent was produced in the Western Territories. 11/

Table 8

Production of Coke in Poland a/
1946-1956

Million metric tons			
1946	3.57	1951	6.34
1947	4.46	1952	7.40
1948	5.09	1953	7.90
1949	5.75	1954	8.52
1950	5.98	1955	10.04
		1956	10.50

a. Sources: 3, 7, 10.

D. Power Production

The addition of the Western Territories to Poland greatly increased the power-generating capacity of the country. Many of the plants acquired, however, had been severely damaged during the latter part of the war and had been partially dismantled, first by

- 11 -

S-E-C-R-E-T

S-E-C-R-E-T

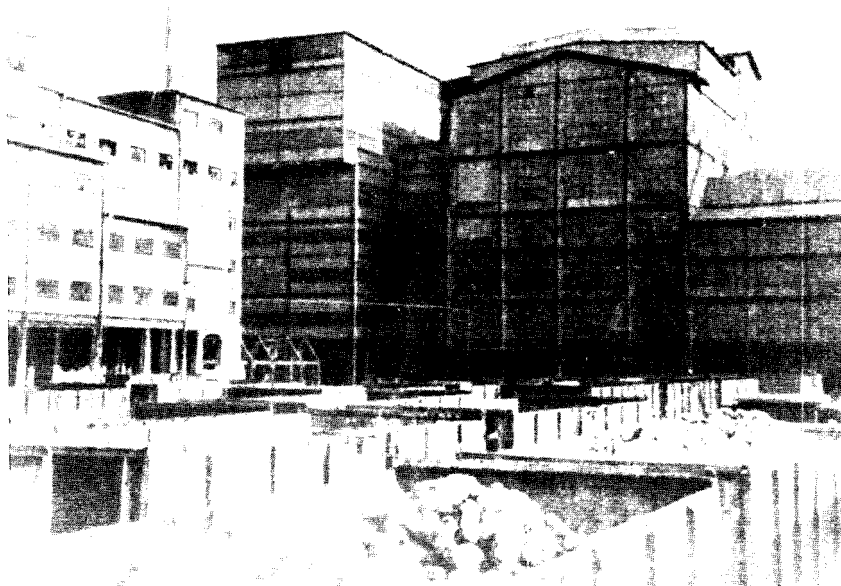


Figure 3. Screening plant of a coal mine in Zabrze, Upper Silesia. (1950)

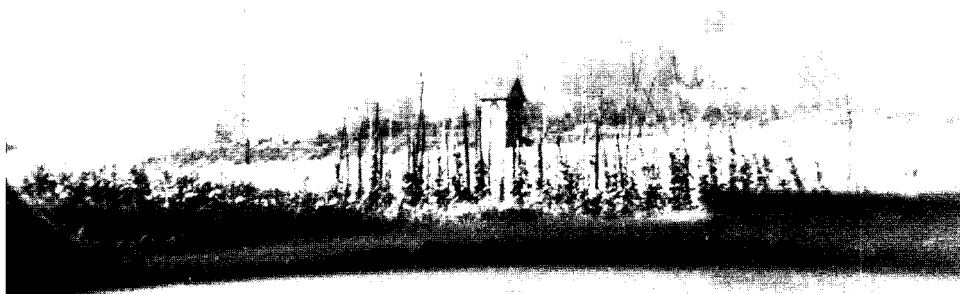


Figure 4. Mieszko coke plant in Wałbrzych. (August 1945)

S-E-C-R-E-T

S-E-C-R-E-T

the retreating German forces and then by Russian occupation forces. Output for the entire country did not regain its prewar level until 1949. Since then progress has been steady, and the 1955 production was more than double that of the prewar period. ^{17/} The majority of the existing plants are located at industrial installations, with a concentration of stations in Upper and Lower Silesia near the coalfields. In the postwar power program the Western Territories have been assigned a considerable share of the investment. Under this program, existing stations were repaired (Figure 5), many were expanded, and construction was undertaken on the Dychów (Deichow) hydroelectric power station -- the largest in Poland -- which is located on the Bobrawa (Bober) River near Krosno Odrzanskie (Crossen).

E. Iron and Steel

The Polish iron and steel industry has expanded considerably since the war. In 1938, the production of prewar Poland amounted to 879,000 tons of pig iron and 1,441,000 tons of steel. ^{15,18,19/} In 1955, the output of pig iron within the present boundaries was 3,112,100 tons, and the output of steel was 4,426,400 tons. ^{3/} A large part of this significant increase was due to the acquisition of several large steel plants in the Western Territories, including the Bobrek plant in Bytom (Figure 6), the Gliwice works, the Stalin plant in Zabedy (Laband), the Malapanew plant in Ozimek (Malapane), the Andrzej in Zawadskie (Andreashütte), two plants at Zabrze, and the Szczecin blast furnaces. The 1938 production from these plants amounted to 315,000 tons of pig iron and 511,000 tons of steel. ^{12,15/} Postwar expansion has increased the output of these plants, and it is estimated that their present production represents roughly 20 percent of the pig iron and 25 percent of crude steel output of present-day Poland.

F. Non-Ferrous Metals

The only important non-ferrous metallic ores in the Western Territories are the lead-zinc deposits located in the extreme eastern section of former German Upper Silesia and the copper deposits near Bolesławiec (Bunzlau). The lead-zinc ore reserves, mines, and prewar concentrating plants in the Western Territories were about equal to those within prewar Poland. Consequently, Poland's capacity to mine and produce zinc and lead concentrates has been doubled. The copper deposits of the Bolesławiec area were first worked by the Germans in 1940, and by 1943 the production had reached 391,000 tons. ^{15/} Since the war, production has steadily increased, and by 1955 the output had reached 989,700 tons. ^{3/}

Other non-ferrous ores in the Western Territories include small tin deposits in the vicinity of Jelenia Góra (Hirschberg), deposits

S-E-C-R-E-T

S-E-C-R-E-T

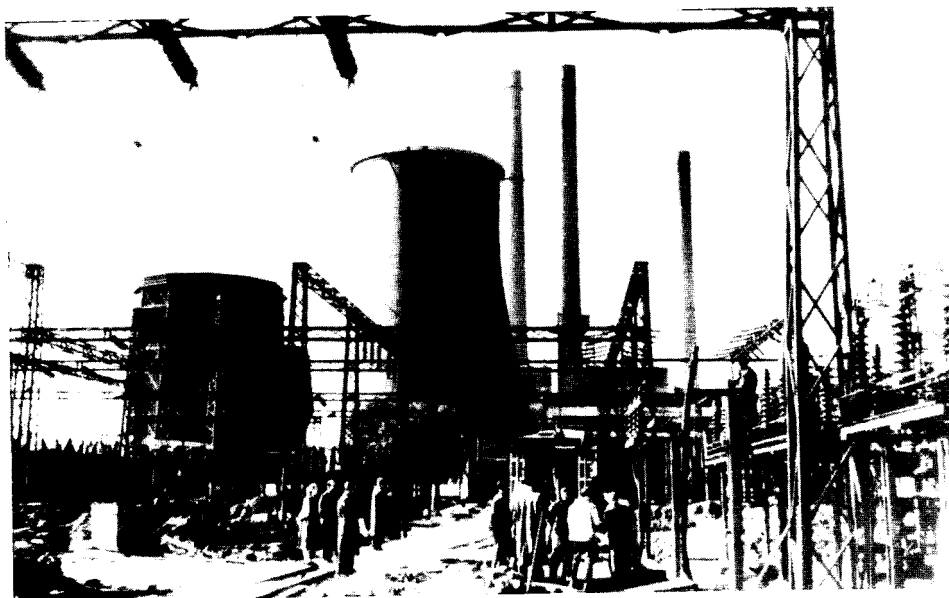


Figure 5. Czechnica powerplant, located 5 kilometers southeast of Wrocław. This plant was dismantled by the Soviet occupation forces and has been under reconstruction since 1953. (1956)

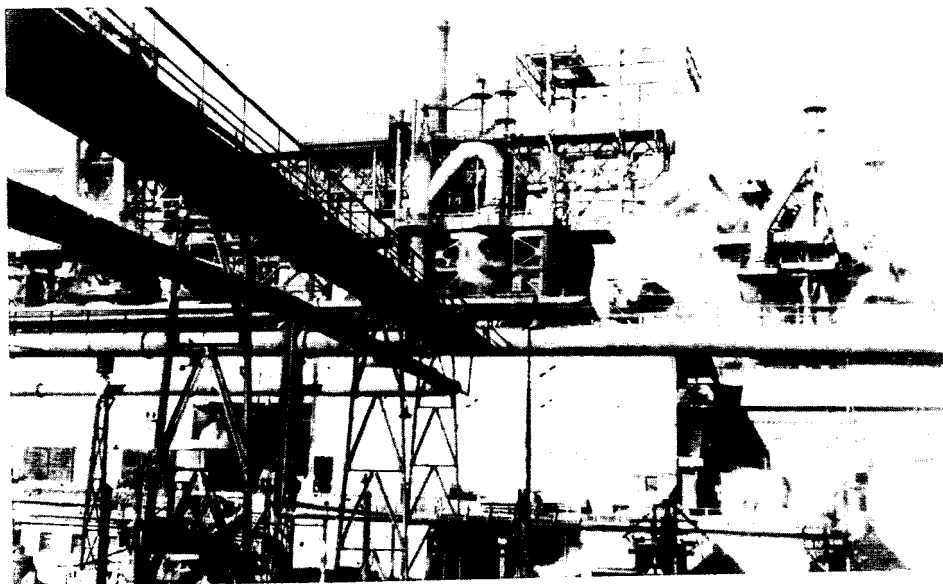


Figure 6. Bobrek metallurgical plant, the largest iron and steel plant in the Western Territories. (1956)

- 14 -

S-E-C-R-E-T

S-E-C-R-E-T

of metallic arsenic associated with gold in Złoty Stok (Reichenstein), and small uranium deposits in the foothills of the Sudeten Mountains in Lower Silesia. Although the reserves of all of these minerals are small, they nevertheless are important because they are the major source of supply within Poland.

G. Chemical

Postwar expansion of the chemical industry, which is scheduled to become the second most important industry in the country, has resulted in increased production of its principal commodities -- superphosphates, sulfuric acid, soda, coal tar, and dyes. The addition of a large number of former German plants and the increase in the supply of coke, limestone, gypsum, arsenic, copper, and barite were largely responsible for rapid advances made in the production of chemicals shortly after World War II. Although two-thirds of Poland's chemical plants were destroyed or damaged during the war, Polish production was greater in 1947 than before the war. Slightly damaged plants in the main chemical centers of Wrocław (Breslau), Wałbrzych, and Złoty Stok were quickly repaired and put into operation, and an extensive construction program directed toward rebuilding important large enterprises was undertaken. Under this program the Rokita plants at Brzeg Dolny (formerly Anorgana works, Dyhernfurth), and the Kędzierzyn nitrogen-compound factory (formerly I. G. Heydebreck works) (Figure 7) were rebuilt and enlarged, as was also the Wizów (Wiesau) (Figure 8) sulfuric-acid works. In 1955 the Western Territories were responsible for 44.9 percent of the Polish sulphuric acid production and for 40.1 percent of the superphosphate production. 11/

In spite of the impressive recovery of the chemical industry in former German areas, the overall Six-Year Plan for chemicals fell short of fulfillment, and undoubtedly the plants in the Western Territories shared in this failure. Further development and expansion will probably continue until domestic needs, at least, can be met; and it can be assumed that plants in the Western Territories will share in this expansion.

H. Industrial Machinery

The industrial-machinery and equipment industry of the Western Territories had attained a high level of production prior to World War II, and the production of the region greatly surpassed that of prewar Poland. Although war damages drastically reduced the producing capacity of the industry, reconstruction was rapid after the war. A determined effort was made to reconstruct those sectors of the industry that supply special industrial machinery and equipment, and considerable success was achieved.

S-E-C-R-E-T

S-E-C-R-E-T

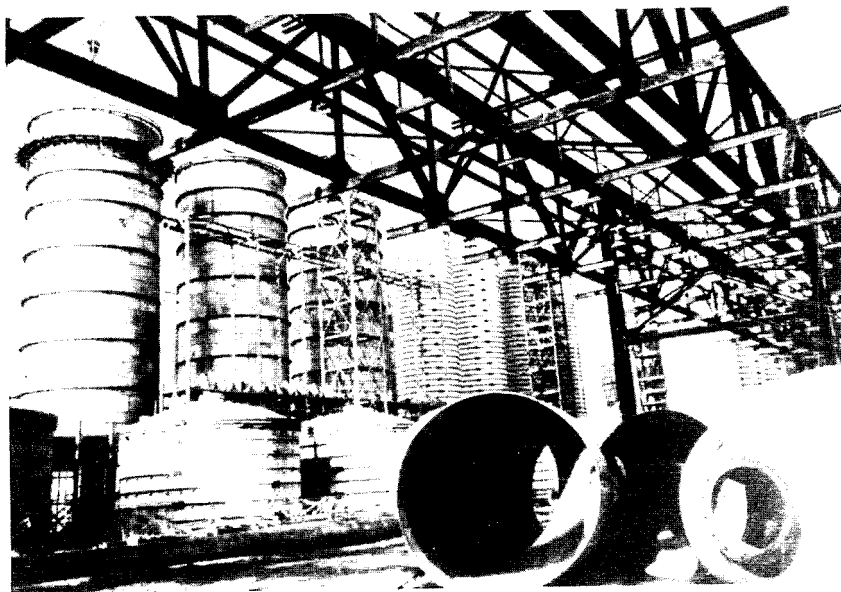


Figure 7. Nitrogen-compound plant in Kędzierzyn. (1954)

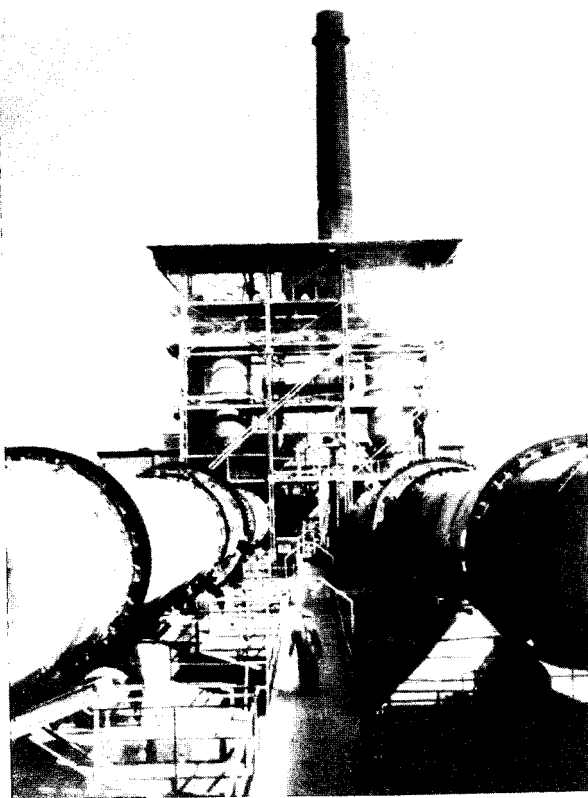


Figure 8. Rotary kilns
at the sulphuric-acid
plant in Wizów. (April
1957)

- 16 -

S-E-C-R-E-T

S-E-C-R-E-T

Several of Poland's main centers of the general and heavy engineering branch of this industry in the Western Territories -- those that produce equipment for collieries, steel mills and manufacturing plants -- have been reconstructed. Among these centers are Bytom, Gliwice, Jelenia Góra, and Zabrze, all of which are located near coalfields and iron and steel foundries. The main rolling stock and equipment factory in the former German Territories, located at the important railroad center of Wrocław, was completely destroyed during the war. It was one of the first enterprises to be rebuilt, however, and has become Poland's largest freight-car producer. In 1955, the Wrocław plant (Figure 9), together with the former Beuchelt



Figure 9. "Pafawag" state wagon factory in Wrocław. (1955)

works in Zielona Góra (Grünberg), produced 90.1 percent of the freight-car output of Poland. ^{11/} Two of Poland's major machine-tool plants -- one in Wrocław and the other in Kuźnia Raciborskie (Ratiborhammer) -- are former German enterprises that have been reactivated and are currently being expanded.

Small prewar electro-technical industries in Wrocław, Bielawa (Langenbielau), Świebodzin (Schweibus), Świdnica (Schweidnitz), and Dzierżonów (Reichenbach) have been reactivated, and some have developed into relatively important enterprises. Szczecin is the only important industrial-machinery and equipment center that is located outside of Silesia. The status of Szczecin as one of the three important ports of Poland has stimulated the reconstruction

S-E-C-R-E-T

S-E-C-R-E-T

of former German shipyards and has made possible the redevelopment of industries that depend on cheap transportation of bulky raw materials such as coal and iron.

I. Light Industry

The prewar status of light industry in the Western Territories, which includes enterprises that produce a large variety of consumer goods, was important enough to contribute significantly to the development of a well-balanced economy of the various areas within the Western Territories. For the most part, light industries were initially based on local raw materials and resources such as food and industrial crops, forests, sands, and kaolin. Thus, the deposits of excellent sands and kaolin in Lower Silesia gave rise to an important glass and ceramic industry; forests of the southern hilly and mountainous region and of the areas of poor soils and gravel in the northern and central agricultural sections led to the development of timber and forest-product enterprises; and the extensive areas of farmland provided a broad base for food-processing industries and a nucleus for textile and leather manufacturing. In some instances, notably textiles and leather-goods manufacturing, the development of new branches of the industry and expansion of existing plants required the importation of additional raw materials. Although major centers of some branches of light industry tended to concentrate in Lower Silesia, all parts of the Western Territories engaged in the production of consumer goods, and all areas benefited from the diversified economic activities.

Because light industry has been assigned a subordinate position in the economic program of the country, the pattern for its development has been focused on the reactivation of the larger and more efficiently operable centers of production. Many of the larger enterprises were put into operation soon after World War II, and their production has steadily increased. In 1955 the Western Territories produced 76.5 percent of all radio sets manufactured in Poland. 11 Many of the smaller enterprises that were widely dispersed throughout the Western Territories have been abandoned. Consequently, conditions in parts of Koszalin (Köslin), Szczecin, and Zielona Góra Województwa -- where small, diversified industries were an integral part of the economy -- have been severely depressed. Reports from official travellers through this area have frequently emphasized the poor, rundown appearance characteristic of most of the smaller towns, with their uninhabited dwellings, unused factories, and shells of damaged buildings (Figure 10).

S-E-C-R-E-T

S-E-C-R-E-T

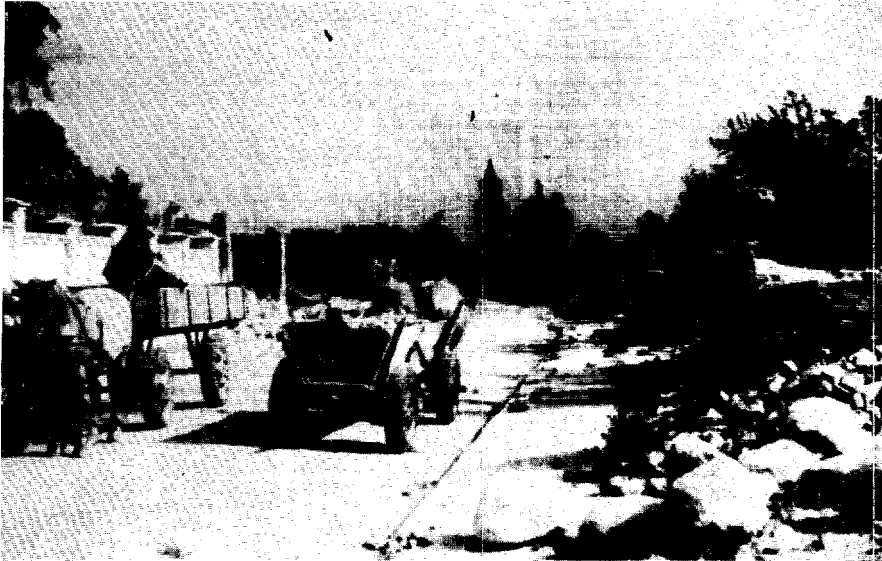


Figure 10. View along a main street of Stargard where reconstruction activities have lagged. (July 1956)

The disregard for areal development in Koszalin, Szczecin, and Zielona Góra Województwa has probably been one of the most serious weaknesses of the postwar development program for the Western Territories. Recent pronouncements from the present Polish Government indicate an awareness of the seriousness of the situation, and steps are reportedly being taken to remedy the condition. A program is already in motion to reactivate 8 establishments in Koszalin, 10 in Szczecin, and 16 in Zielona Góra.

J. Construction-Materials Industry

The highly developed prewar construction-materials industry of the Western Territories provided a sufficient amount of cement, bricks, and tiles to meet local needs and a large surplus that was exported, largely to the Greater Berlin Area. The combination of the construction-materials industry of the Western Territories with that of prewar Poland has more than doubled Poland's productive capacity for building materials. This increased capacity, however, has not been fully used by the Poles during the postwar period, and not until 1955 did the production of the major construction materials approach that of prewar Poland and the Western Territories combined (see Table 9).

S-E-C-R-E-T

S-E-C-R-E-T

Table 9

Production of Construction Materials in Poland a/
1937-38 and 1955

<u>Construction Material</u>	<u>1937-38</u>	<u>1955</u>
Cement (thousand tons)		
Prewar Poland	1,719)	
Western Territories	1,782)	3,501
		3,812.9
Bricks (million units)		
Prewar Poland (1937)	1,848)	
Western Territories	1,370)	3,218
		2,564.1
Roof tiles (million units)		
Prewar Poland (1937)	45)	
Western Territories	265)	310
		127.3

a. Sources: 3, 15, 18.

V. Postwar Urban Reconstruction

Progress in reconstruction of destroyed and damaged towns and cities in the Western Territories reflects the overall postwar development of the area. In the initial phase of reconstruction (1945-1949) efforts were concentrated toward repairing industrial enterprises and public utilities in cities that had experienced little war damage. Zielona Góra, Wałbrzych, Jelenia Góra (Figure 11), and Kammiena Góra are important towns in this category. During the same period, some key industries, public utilities, and transportation facilities in the more severely damaged urban centers were also repaired or rebuilt. This reconstruction included mining and heavy industrial enterprises in cities such as Bytom, Wrocław, Gliwice, Zabrze, and Szczecin. In the initial stages, little or no attention was given to repairing many of the smaller industries or residential areas in any Polish towns. Consequently, many towns, especially those in the northern and central agricultural areas, have remained in disrepair. Buildings were abandoned, rubble often cluttered the streets, and the cities had the general appearance of "dead towns."

Since 1950, reconstruction has progressed slowly, but more industrial buildings have been repaired, rubble has been cleared, and some residential construction has been undertaken (Figure 12). In the large number of neglected, run-down cities that still remain, however, a considerable amount of investment will be required before the existing buildings can be fully utilized.

S-E-C-R-E-T

S-E-C-R-E-T

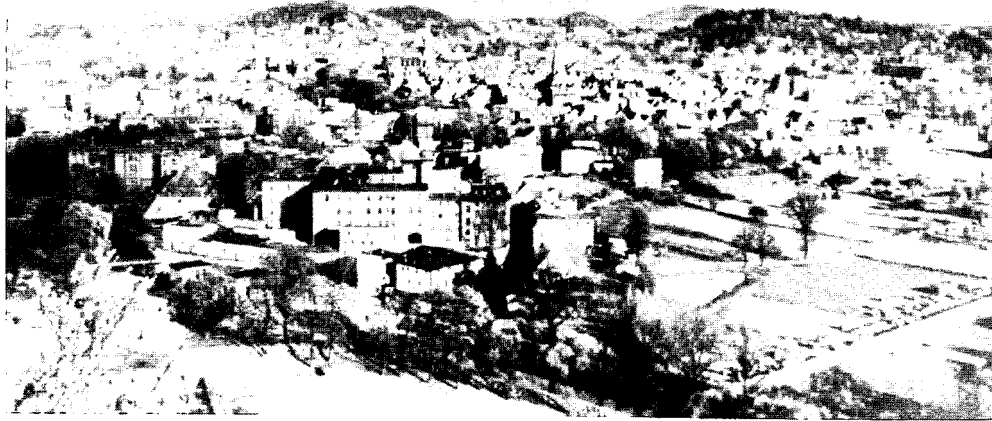


Figure 11. View of Jelenia Góra, a town in the Sudeten Mountains that suffered little war damage. (August 1954)

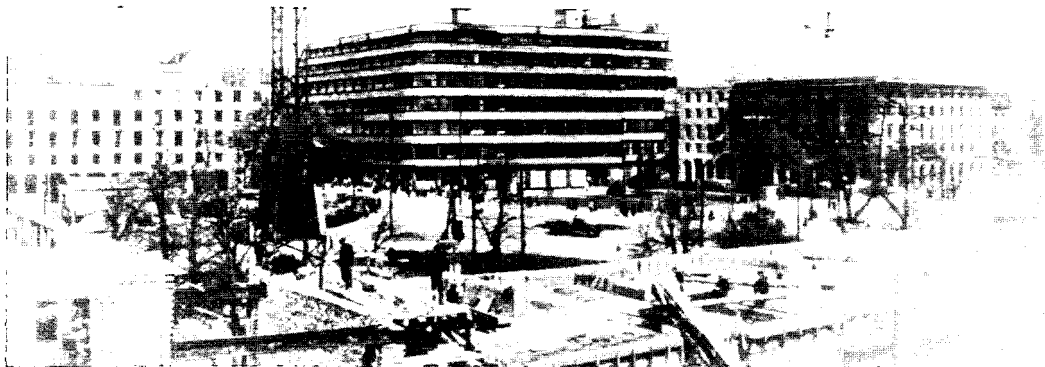


Figure 12. Reconstruction in a residential district of Wrocław that was about 75 percent destroyed during the war. (1955)

S-E-C-R-E-T

S-E-C-R-E-T

CONCLUSION

Reconstruction and development of the Western Territories under Polish administration have been directed by two dominant objectives of the Polish Government: (1) to transform the area into an ethnically Polish region and (2) to expand heavy industry. Until the ascendancy of the Gomulka regime, all other plans and goals associated with socialized development of the region were relegated a subordinate position.

The deportation of most of the Germans from the Western Territories and the incomplete resettlement of the region with Polish repatriates and settlers from overpopulated agricultural areas has resulted in the establishment of an ethnically homogeneous population. This has been accomplished, however, at the expense of the region as a whole -- by depriving it of adequately qualified personnel in sufficient number for efficient well-rounded economic development. All economic activities have been adversely affected by the reduction in size of the population and the decline in skills. The extent to which some segments of the economy have been able to compensate for this disadvantage and to regain or surpass their prewar level of production depended on the amount of investment appropriated for and the manpower assigned to the particular branch of economy.

Heavy industry has been highly favored in all postwar investment programs and has made the most rapid advances. Intensive exploitation of rich coal and mineral deposits and rapid reconstruction of key industrial enterprises has enabled the Western Territories to raise their industrial status almost to the prewar level. Production methods, however, have remained inefficient, and the amount of labor required has been unduly large. The recovery of light industry has proceeded at a slower pace and unevenly. Investment was concentrated on reactivating large centers of production, but a large number of smaller enterprises in the same category were abandoned. Agriculture, which was formerly an important part of the economy of the Western Territories, has lagged behind industry in rate of recovery and development. Decrease in the agricultural population and the small amount of investment allotted to agriculture have tended to increase the fear of the inhabitants that the present occupancy was of a temporary nature. The collectivization program, which the people resented, further discouraged permanent settlement on farms; and shortages of fertilizer and farm machinery greatly handicapped efficient operation of farms and contributed to the serious reductions in crop yields. Thus, although the aim of the Polish Government to transform the Western Territories into an integral part of Poland has been realized, the price exacted for this integration has been a general lowering of the economic level of the region.

S-E-C-R-E-T

S-E-C-R-E-T

In view of the sparser population of the region and the reduction in the productive capacity of both the individual and the community, many years will elapse before the Western Territories can regain their prewar social and economic standard. Nevertheless, the Western Territories have contributed significantly to the rapid postwar recovery of the Polish economy as a whole. The addition of a large number of industries and resources provided Poland with many key commodities needed for rapid industrialization of the country and has supplied surpluses for export. Included in this group are coal, coke, lead, zinc, railroad equipment, seagoing vessels, mining machinery, and semifinished steel products. The acquisition of a long seacoast with important ports and large amounts of fairly productive agricultural lands also affords opportunities for further economic development and growth. The present economic policy of the Gomulka regime, which permits increased investment in consumer industries, should promote the reactivization of a large number of light industrial enterprises that have been abandoned and should also encourage the development of sound agricultural practices based on increased use of machines, fertilizers, and modern farming methods.

S-E-C-R-E-T

S-E-C-R-E-T

APPENDIX A

GAPS IN INTELLIGENCE

The scope of a geographic analysis of a region depends on the completeness of the available physical, sociological, and economic information. Prewar data for the Western Territories is adequate in all three fields and permits an accurate evaluation of the overall status of this region while it was a part of Germany. Early postwar Polish information on the sociological and economic conditions of the Western Territories, however, was general and incomplete. Published statistics were usually limited to aggregate figures for the country as a whole. Detailed information on individual towns and industries was fragmentary and of undetermined reliability. With the publication of the 1955 and 1956 Statistical Yearbooks and subsequent studies, a sufficient amount of information was presented on the most important economic activities by administrative or economic units to permit an overall evaluation of the region. The lack of detailed information for much of the postwar period has prevented a precise appraisal of the rate and the pattern of development within the Western Territories and reduces the reliability of any estimate of the future trend in development.

S-E-C-R-E-T

S-E-C-R-E-T

APPENDIX B

SOURCE REFERENCES

A large number of sources including books, magazine articles, and intelligence reports describing personal observations provided background information for this study. These background sources are not listed or evaluated because, for the most part, they represent individual impressions, opinions, and beliefs concerning the problem of the Western Territories; their primary usefulness was to illustrate the complexity of the problem and to point out the need for a more precise appraisal of it. The sources listed and evaluated below supplied statistical information, which served as a basis for measuring the extent of development in the Western Territories.


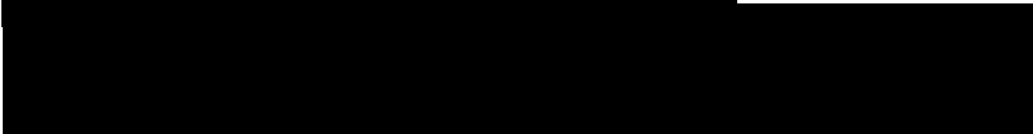
Evaluations following the classification entry have the following significance:

<u>Source of Information</u>	<u>Information</u>
A - Completely reliable	1 - Confirmed by other sources
B - Usually reliable	2 - Probably true
C - Fairly reliable	3 - Possibly true
D - Not usually reliable	4 - Doubtful
E - Not Reliable	5 - Probably false
F - Cannot be judged	6 - Cannot be judged

Evaluations not otherwise designated are those appearing on the cited document; those designated "RR" are by the author of this report. No "RR" evaluation is given when the author agrees with the evaluation of the cited document.

S-E-C-R-E-T

S-E-C-R-E-T

1. Germany, Heidelberg. The Effect on Polish Economy of the Loss of Her Former Eastern Territories and the Addition of the Ex-German Territories, 36 p., S. (encl to State, Heidelberg. Dsp 169, 3 Apr 50, S.) Eval RR3.
2. Commerce, Bureau of Census. "The Population of Poland," by W. Mauldin and D. Akers, Series P-90, No 4, p. 53-140, 1954, U. Eval RR2.
3. Poland, Warsaw. Rocznik Statystyczny, 1956, Główny Urząd Statystyczny Polskiej Rzeczypospolitej Ludowej, Warsaw, 1956, U. RR3.
4. Seraphim, Peter-Hainz. Die Deutschen Ostgebiete, Stuttgart, 1952, v. 1, p. 11-31, U. Eval RR3.
5. Germany. Statistik des Deutschen Reich, Herausgegeben vom Statistischen Reichsamt, Berlin, 1939, U. RR2.
6. State, OIR. Rpt 5399, 29 Nov 50, Polish-German Disputed Territories, 22 p., S. Eval RR2.
7. Poland, Warsaw. Rocznik Statystyczny 1949, Główny Urząd Statystyczny Polskiej Rzeczypospolitej Ludowej, Warsaw, 1949, U. RR3.
8. Winston, Victor H. "The Polish Bituminous Coal Mining Industry," American Slavic and East European Review, v. XV, No 1, Mid-European Studies Center, New York, Feb 56, p. 38-54, U. Eval RR2.
9. 
10. 
11. Poland, Warsaw. Statystyka Przemysłu, 1945-1955, Główny Urząd Statystyczny, Warsaw, 1956, U. Eval RR2.

25X1A

25X1C

S-E-C-R-E-T

S-E-C-R-E-T

12.

25X1C 13.

14.

15. Gleitze, Bruno. Ostdeutsche Wirtschaft, Berlin, Deutsches Institut Für Wirtschaftsforschung, 1956, 220 p., U. RR2.

16. CIA. NIS 14, Poland, ch VI, sec 62, "Fuels and Power," Sep 52, 45 p., S.

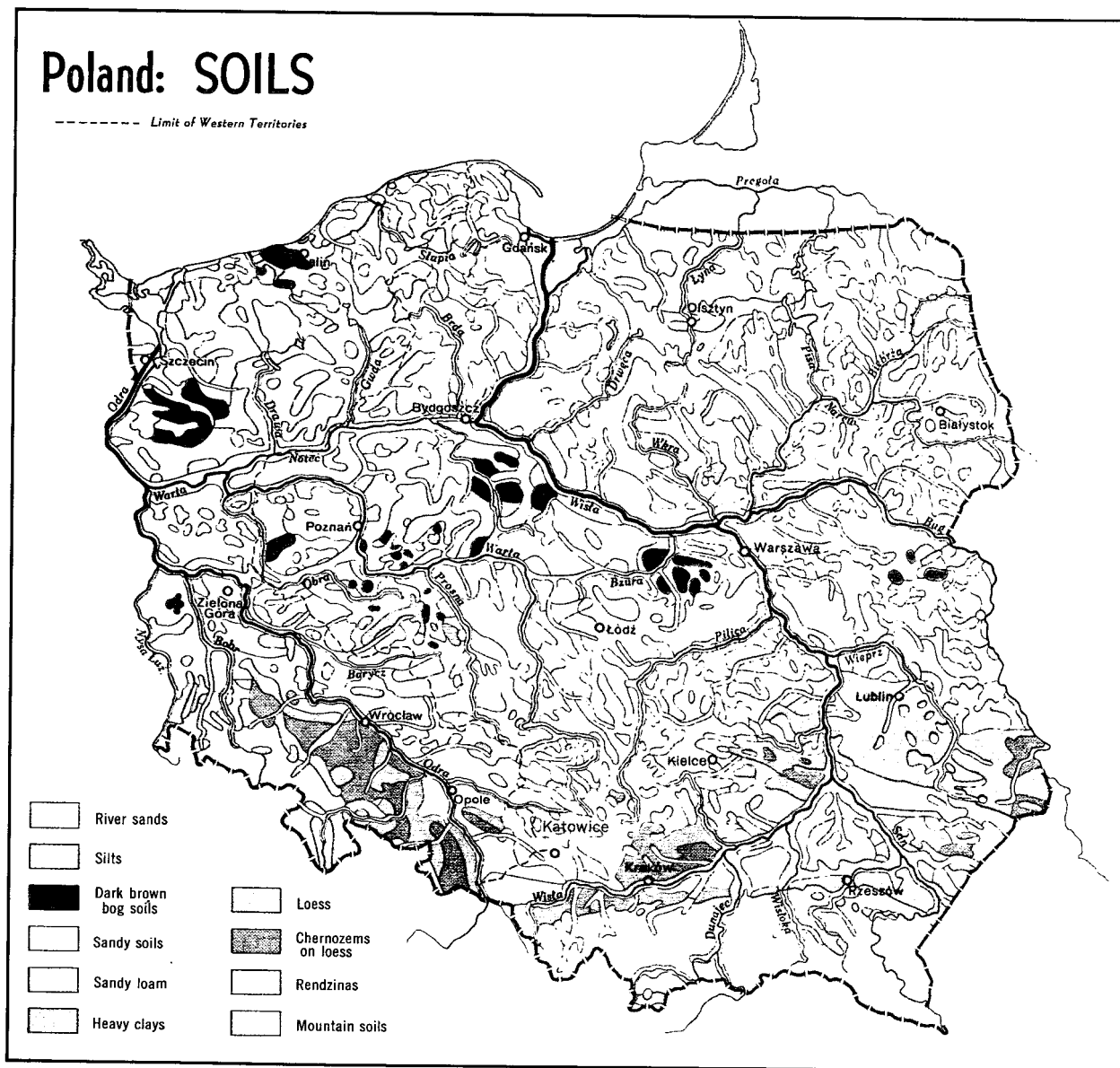
25X1C

17.

18. CIA. NIS 14, Poland, ch VI, sec 64, "Manufacturing and Construction," Feb 53, 74 p., S.

19. CIA. NIS 14, Poland, ch VI, sec 63, "Minerals and Metals," Jan 53, 37 p., S.

S-E-C-R-E-T



26296 12-57

Approved For Release 2000/06/01 : CIA-RDP79T01018A000200080001-4
~~CONFIDENTIAL~~
~~SECRET~~

~~SECRET~~
Approved For Release 2000/06/01 : CIA-RDP79T01018A000200080001-4
~~CONFIDENTIAL~~